

Alaska Waste - Ketchikan, LLC Cost of Disposal Surcharge Update Memorandum

Date: **December 23, 2020**

Utility Name Alaska Waste - Ketchikan, LLC	Utility File No. TA50-656	Date Filed: November 10, 2020
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FILING SUMMARY

Statutory Deadline:
December 28, 2020

Tariff Sheet recommended for approval:
Tariff Sheet No. 47 December 22, 2020

Staff Recommended Effective Date:
December 31, 2020

Side-by-side Tariff Sheets attached as Appendix 3

CODS SUMMARY

Prior Commission Determination TA Number	Date of Prior Commission Determination	Prior Commission Determination	Staff Recommended Determination	Change
TA48-653	June 18, 2018	2.336%	(15.2951%)	(17.6311%)

Signed: *Keiba Kimp* Utility Tariff Analyst
Keiba Kimp

Reasons for the above recommendation: See Attached Memorandum

	Date, if different from 12/23/2020	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<i>RMP</i>		
McAlpine		<i>SM</i> SM		
Scott		<i>AGS</i> AGS		
Sullivan		<i>DS</i> DS		
Wilson		<i>JW</i>		

Special Instructions to Staff: _____

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will be noted at the close of the By Direction Letter or Order

**Alaska Waste - Ketchikan, LLC
Cost of Disposal Surcharge Update
Memorandum**

To: Robert M. Pickett, Chair
Stephen McAlpine
Antony Scott
Daniel A. Sullivan
Janis W. Wilson

Date: December 23, 2020

File: TA50-656

Utility: Alaska Waste - Ketchikan, LLC

From: Keiba Kimp

Subject: CODS

CODS Comments

Staff reviewed this tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.430). Staff also reviewed the proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. Proposed revisions to CODS are reviewed pursuant to the methodology approved with Order No. U-13-167(12) and must be filed with documentation supporting entries in the balancing account for the historical period and projections for the future period.

Staff Notes:

The projected disposal costs decreased from \$87,033 to \$63,496. The balancing account balance decreased from \$0 to (\$121,335). The estimated revenues increased from \$817,021 to \$828,804. The combined downward pressure from the decrease in disposal costs, decrease in the balancing account, and increase in estimated revenues results in a decrease in Alaska Waste - Ketchikan's CODS from 2.3360% to (15.2951%).

Alaska Waste - Ketchikan filed a revenue requirement study (RRS) on December 23, 2019, designated as TA46-656. It was suspended into U 20-010 on February 6, 2020 (see Order No. U-20-002(1)/U-20-003(1)/U-20-004(1)/U-20-005(1)/U-20-006(1)/U-20-007(1)/U-20-008(1)/ U-20-009(1)/U-20-010(1), issued February 6, 2020). With filing, Alaska Waste - Ketchikan proposed a new CODS methodology with its permanent rates. This updated methodology has not been approved. Staff verified that the current filing is calculated using the currently approved methodology. Therefore, Staff does not recommend suspension of TA50-656 into Alaska Waste - Ketchikan's pending revenue requirement study.

Staff Recommendation:

The Commission should approve Tariff Sheet No. 47, filed December 22, 2020, by Alaska Waste - Ketchikan, LLC in TA50-656. The effective date of the tariff sheet should be December 31, 2020.

Alaska Waste - Ketchikan, LLC
Calculation and Comparison of Customer Bill
TA50-656

Customer Bills	Prior Determination	Updated Determination	Change
Surcharge (%)	2.336%	(15.2951%)	(17.6311%)
Customer Bill			
2 Cans 1X Per Week	\$24.19	\$24.19	\$ -
Regulatory Cost Charge @ 0.756%	\$0.19	\$0.15	\$ (0.04)
COFS Surcharge ((0.6591%))	(\$0.16)	(\$0.16)	
Surcharge Amount (\$)	\$0.57	(\$3.70)	\$ (4.27)
Total Customer Bill (\$)	\$24.79	\$20.48	\$ (4.31)
Customer Bill- Commercial			
1X 1.50 Cubic Yard	\$113.47	\$113.47	
Regulatory Cost Charge @ 0.756%	\$0.88	\$0.73	\$ (0.15)
COFS Surcharge ((0.6591%))	(\$0.75)	(\$0.75)	
Surcharge Amount (\$)	\$2.65	(\$17.36)	\$ (20.01)
Total Customer Bill (\$)	\$116.25	\$96.09	\$ (20.16)

Alaska Waste - Ketchikan, LLC
Cost of Disposal Surcharge Amount
TA50-656

Calculation of Cost of Disposal Surcharge		
Line Description	Prior Determination	Updated Determination
A Estimated Per Ton Expense	\$ 145.00	\$ 170.00
B Estimated Tons	600.23	373.503
C Total Estimated Disposal Costs (A*B)	\$ 87,033	\$ 63,495.51
D Balancing Account Balance	\$ -	\$ (121,335)
E Total (D+E)	\$ 87,033	\$ (57,839)
F Estimated Retail Sales	\$ 817,021	\$ 828,804
G Projected Cost of Disposal (E/F)	10.6525%	-6.9786%
H Base Cost of Disposal	8.3165%	8.3165%
I Cost of Disposal Surcharge Amount (G-H)	2.336%	(15.2951%)

Comments

Actual Costs			
	Prior Quarter	Reported Quarter	Change
Per Ton Cost	\$ 145.00	\$ 145.00	\$ -
Total Cost	\$ 69,499.70	\$ 54,157.98	\$ (15,341.72)
Balancing Account	\$ -	\$ (121,334.53)	\$ (121,334.53)

Actual Revenues			
	Prior Quarter	Reported Quarter	Change
Surcharge Revenues	\$ (19,626.02)	\$ 17,251.02	\$ 36,877.04
Base Cost Revenues	\$ 2,105,358.37	\$ 68,927.48	\$ (2,036,430.89)

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Stephen McAlpine (Dec 23, 2020 12:23 AKST)

Email: stephen.mcalpine@alaska.gov

Signature: 
Antony Scott (Dec 23, 2020 12:43 AKST)

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Signature: 
Daniel Sullivan (Dec 23, 2020 14:20 AKST)

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Signature: 
Janis Wilson (Dec 23, 2020 15:14 AKST)

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RCA No. 656 Original Sheet No. 47

Cancelling Sheet No. _____

RECEIVED
MAY 10 2018
 STATE OF ALASKA
 REGULATORY COMMISSION OF ALASKA

ALASKA WASTE-KETCHIKAN, LLC**300.100 COST OF DISPOSAL SURCHARGE (continued)****KETCHIKAN AREA****COST OF DISPOSAL SURCHARGE**(1) Cost for Quarter Beginning **12/31/15**

Source	Tons	Price per Ton	Total
Disposal Expense	600.23	X \$145.00 per ton =	\$ 87,033
(2) Balance in Cost of Disposal Balancing Account as of 10/31/2015			\$ 0.00
(3) Total Lines (1) and (2) above			\$ 87,033
(4) Estimated Annual Revenue			\$817,021
(5) Projected Cost of Disposal (Line (3))/(4))			10.6525%
(6) Base Cost of Disposal			<u>8.3165%</u>
(7) Cost of Disposal Surcharge (Line(5)-(6))			2.3360%

This surcharge applies to all rates.

Pursuant to U-17-013(5)

Effective: June 18, 2018Issued By: ALASKA WASTE-KETCHIKAN, LLCBy: Robert GillTitle: Division ControllerRCA No. 656 First Revision Sheet No. 47Cancelling Original Sheet No. 47**Alaska Waste-Ketchikan, LLC****300.100 COST OF DISPOSAL SURCHARGE ADJUSTMENT (continued)****KETCHIKAN AREA****COST OF DISPOSAL SURCHARGE**

(1) Projected Cost Beginning 1/1/2021

T

Source	Tons	Price per Ton	Total	
Disposal Expense	373.50	X \$ 170.00 per ton =	\$ 63,496	R
(2) Balance in Cost of Disposal Balancing Account as of 9/30/2020			<u>\$ (121,335)</u>	R
(3) Total Lines (1) and (2) above			\$ (57,839)	R
(4) Estimated Annual Revenue			\$ 828,804	I
(5) Projected Cost of Disposal (Line (3))/(4))			-6.9786%	R
(6) Base Cost of Disposal			<u>8.3165%</u>	
(7) Cost of Disposal Surcharge (Line (5)-(6))			-15.2951%	R

This surcharge applies all rates.

Tariff Advice No. TA50-656Effective: December 31, 2020Issued By: Alaska Waste - Ketchikan, LLCBy: Heather GarlandTitle: Pricing Manager